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SUBJECT: GOVERNMENT VS. DOGAN GRUDGE MATCH CHILLS TURKISH JOURNALISM

REF: ANKARA 1327

Classified By: Charge Douglas A. Silliman for E.O. 12958 Reasons 1.4(b) and (d).

¶1. (U) This cable is a joint Embassy Ankara/Consulate General Istanbul product.

¶2. (C) SUMMARY: Despite international signals about the press freedom implications of record tax fines levied against the Dogan Media Group, the GOT has upped the ante in its battle with the beleaguered media giant by demanding USD 3.2 million in collateral against the penalty, apparently pressuring a reshuffle of top editors at Dogan's flagship newspapers, and preparing a rumored additional USD nine billion in fines against four of Dogan's non-media holding companies. The latest round in the grudge match between PM Erdogan and media mogul Aydin Dogan is having a chilling effect on Turkish journalists. END SUMMARY

¶3. (SBU) The latest GOT moves against the Dogan Media Group (DMG), Turkey's largest non-governmental media conglomerate with 40 percent of the media market, have sent chills across Turkey's media industry. On September 28, Turkish newspapers were awash in stories about a reshuffling of top editors at tax-beleaguered DMG's flagship "Hurriyet" and "Milliyet" newspapers. Sources have confirmed that media mogul Aydin Dogan will transfer staunch AKP opponent Sedat Ergin from the chief editor slot at "Milliyet" over to "Hurriyet" as a chief columnist, and move other anti-AKP editors to less prominent positions or media outlets

¶4. (SBU) On September 25th, Turkey's tax authorities ordered DMG to pay a record \$3.2 billion as collateral against an already record fine for back taxes of \$2.4 billion. The new demand, which the company has said it will challenge in court, calls for DMG to provide the requested collateral within 15 days. The same day, DMG formally waived mediation with the government offered by the Istanbul Stock Exchange.

¶5. (C) Reacting to these sudden developments, several media leaders told us the latest onslaught was a challenge to the entire media industry. "It's definitely a warning," said NTV General Manager Omer Ozguner (protect), noting that leading NTV channels are recommitting to their policy of "keeping a distance from the government." Respected "Hurriyet" columnist Sami Cohen agreed, seeing no hope in compromise. Cohen, who had vacationed with Dogan over the recent Ramadan Bayram Holiday, said the media mogul told him that "if a thaw was possible, it would have already happened." In sharp contrast to his colleagues, "Sabah" political columnist Cengiz Candar said it would be a mistake to view the government's pursuit of Dogan as an attack against freedom of the press in Turkey. It's an attack against Dogan alone, Candar said, though it may ruin his media empire.

INDUSTRY INSIDERS PREDICT MORE FINES ON THE WAY

¶6. (C) While the escalation in punitive measures sent shivers across the industry, several pro-government media insiders predicted further actions were on the way that would seal Dogan's fate. Government-leaning Star Newspaper/Channel 24 Chief Editor Mustafa Karaalioglu was adamant that the initial fines were the result of an ambitious tax official who wrongly interpreted the PM's election campaign condemnations against "Hurriyet" as a way to curry favor with the AKP government. Karaalioglu, a longtime AKP confidant who helped launch the Islamist-oriented "Yeni Safak" newspaper, talked openly about his concern that the moves are damaging press freedoms in Turkey but predicted that up to USD nine billion in additional fines would be levied against four of Dogan's non-media holding companies. His words echoed true when the GOT tax authorities later in the day proceeded with an additional USD 39 million demand in back taxes and fines from two DMG companies involved in foreign trade.

¶7. (C) Meanwhile, "HaberTurk" TV and Newspaper executives told us September 24 that the Dogan Group and its stable of newspapers would not be missed. "No one will cry for Aydin Dogan in Turkey," said Editor in Chief Fatih Altayli, a former 17-year veteran with "Hurriyet." "There's a discrepancy in Dogan's public and private face," he noted, and wondered how the company pulled off a "rags to riches" ascent from "nothing" to USD 8 billion in just 10 years. "The Dogan Group steals," he commented, but worried that "if the government can do this to Dogan, it can happen to anyone. No one is free in Turkey, no one is clear. They can seize your paper and do anything."

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¶8. (C) Akif Beki, the PM's former spokesman who oddly now holds jobs as a columnist at DMG's liberal "Radikal" newspaper (a recent appointment) as well as a new appointment as Channel 24's Executive Editor, adamantly maintained that the PM was not involved in any way and that rumors circulating of a GOT-directed "hit list" against DMG's top journalists were false. Such activities, he said "are just not the PM's style and not the way things are done in Turkey."

JOURNALISTS' MORALE WAIVERS

¶9. (C) Some young Dogan Media Group journalists are using blogs, Facebook entries and other new media devices to bump up morale and speculate on the future. Several young e-journalists told us that Dogan will most likely sell off Turkey's historic -- but profit-starved -- "Milliyet" newspaper, soften editorial lines, and make more personnel changes. "Hurriyet On Line" editor Zeynep Gurcanli said an alleged government "hit list" was the most discussed development in new media and blogs in Turkey. She described those on it as "dinosaurs," and accused the AKP of keeping tally of the number of negative statements these columnists had made against the government. Hilal Koylu, a popular blogger and "Radikal" diplomatic correspondent, predicted that the ill-matched Beki is "here to stay" as a columnist at "Radikal," saying that she is convinced Beki specifically chose his job as a columnist at "Radikal" in order to "keep an eye on people for his friends in the government."

¶10. (C) Liberal Milliyet columnist Kadri Gursel told us that there was an urgent need for continued international pressure to help stem the anti-press freedom tide. "These murderous policies say much about the government's orientation. If they are allowed to proceed without a signal, it will be a shame." Gursel argued that without continued pressure, Turkey's democracy will shift radically and newspapers will pursue self-censorship as a way to survive. Noting that all media groups are owned by "charging capitalists," he nevertheless stressed that Dogan Media "still represents the only independent voice with power in the country."

COMMENT

¶11. (C) The government's actions against the Dogan Media Group, which is Prime Minister Erdogan's leading Turkish media critic, look increasingly like a concerted campaign to de-fang the most powerful anti-AKP press outlets and has already engendered concerns about media freedom among EU officials. Noting the NTV leadership's pledge to remain at a distance from the AKP and Erdogan government, we fear that the sheer size of the potential fines and collateral could ruin the Dogan Group and convince other media outlets to exercise greater self-censorship in criticizing the government.

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